



**CALFED
BAY-DELTA
PROGRAM**

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May 11, 1999

Alex Hildebrand
South Delta Water Agency
23443 South Hays Road
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Dear Mr. Hildebrand:

This letter is in response to your memo dated April 9, 1999 which reiterates many of your comments made at the March 25 BDAC meeting.

Water Management Strategy and Integrated Storage Investigation

In response to your questions and comments regarding the Water Management Strategy and Integrated Storage Investigation, provided below are detailed explanations of how the issues you raised are being addressed by the Program and in the programmatic EIS/EIR.

The ERP proposes to acquire approximately 400 TAF on the average (generally less in drier years and more in wetter years) from willing sellers for environmental uses. In addition, CALFED is in the process of developing an Environmental Water Account that would allow changing the timing of flows to better benefit the environment. While this work is preliminary, it appears the Account may need to change the timing of approximately 500 TAF. Much of the Environmental Water Account water will serve a dual purpose; it will not only benefit the environment but will be captured for consumptive uses.

For the purposes of impact analysis in the Programmatic EIS/EIR, we have made estimates of the "potential" for recovering currently irrecoverable losses as part of the Water Use Efficiency Program. Detailed explanation of the assumptions used to estimate the water conservation "potential" can be found in chapters 4 and 5 of the Water Use Efficiency Program document. The assumptions indicate that up to approximately 1.5 MAF of additional water savings (compared with Bulletin 160-98) could be achieved. Roughly half of this savings was assumed to occur without CALFED in the No-Action Alternative and the

CALFED Agencies

California The Resources Agency
 Department of Fish and Game
 Department of Water Resources
 California Environmental Protection Agency
 State Water Resources Control Board

Federal Environmental Protection Agency
 Department of the Interior
 Fish and Wildlife Service
 Bureau of Reclamation
 U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

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other half is expected to be due to CALFED actions. The estimates are not a proposal for reallocation of water; rather, the estimates were generated so the impacts of potential water conservation could be determined.

The curves presented at the March 25 BDAC meeting illustrating the water demand and water supply relationships from the economic evaluations do not show a time scale with the value of water increasing with time. The water supply curve is built from an array of water management actions that is ordered from least expensive at the left to more expensive at the right. The cost of water increases as more expensive actions are added to the array. When water supply facilities are added, they too will add to the overall water cost. In planning an actual water supply facility, the time for permitting, design and construction must be considered so it can be brought on line when needed.

CALFED has been doing work to try to quantify the probable availability of water from willing agricultural sellers for transfers to other purposes. The economic evaluations will help determine the "willing sellers." Based on preliminary analysis, the cost of water from land fallowing may be higher than some water users are willing to pay. We will discuss this more at the May 12, 1999 BDAC meeting.

The economic evaluation is comparing costs of water supply options based on costs today, and is not projecting the value of water in the future. Using these present costs allows for easy comparison and arraying water management actions in order of the least costly to the most expensive.

Stage 1 Actions Bundles

Provided below are responses to your comments on the Stage 1 actions. Please recognize that inclusion of an action in a bundle does not guarantee implementation of that action. No action can be taken unless the proper environmental documentation (including analysis of impacts) and permits process are completed. Therefore, the effects of various project features under varying operating assumptions and hydrologic conditions are not discussed in the summary table. Inclusion of an action in the table does mean that there is significant CALFED Program support and interest in moving those actions forward.

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In response to your comments on action #5, the language has been modified, as stated at the March 25 BDAC meeting, to read: "Implement Spring flow management action, such as the proposed Vernalis Adaptive Management Plan (VAMP)".

With regard to action #9, we agree that there is a dissolved oxygen problem south of Stockton; the action proposes to study and remediate the problem. A stakeholder driven process has been initiated to work on this issue and CALFED supports the effort.

Action #52, we believe, was presented as a flood plain management action with concurrent ecosystem restoration benefits. The text was modified, as follows, to address your concern expressed at the meeting: "San Joaquin River & Tribs Study, possible Implementation and Acquisition."

Thank you for your comments and I look forward to continued discussion on these topics at the May 12 BDAC meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester A. Snow", with a long horizontal flourish extending to the right.

Lester A. Snow
Executive Director